



Stanford eCorner

Research Money in Universities

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October 27, 2004

Video URL: <http://ecorner.stanford.edu/videos/1198/Research-Money-in-Universities>

Sutton explains that the majority of research money given to universities does not result in commercially viable products. However, continuing it is often more for the system than the result.



Transcript

Most of the money spent on research in universities doesn't lead to any new commercially-viable products although maybe a lot of good academic careers which we like to have. But, enough of that stuff succeeds and it keeps the whole engine running. So, I mean, the alternative is, for any one project in the school of engineering, for that one particular project is not a rational decision to fund it or to go forward, for for sort of the good of the system as a whole, then it's not a good idea to move forward. And in fact, it is sort of an odd thing about innovation, which what it does, and this is sort of probably something to say an ETL could get me in trouble. What you're doing is you're largely enticing people into a situation where they are going to fail, to support a larger system where people hold a large portfolio to succeed. And I think if you look at the numbers, it pretty much supports that. So I mean, how many people have the right business plans, go-get picture of Kleiner Perkins, go-start businesses? On the backs of that, what do you take to have Google be successful or we talk about Google success. But there's a lot of people who threw themselves against the wall who did not succeed. But on the box of that, we have like enough successful companies to keep the whole thing going. And I think that's basically what the number show.

And it is interesting, the degree to which we misremember failures. We never seem to want to talk about them.